

GEF Council meeting
November 13 – 15, 2012
Washington, D.C.

**ENHANCING CLIMATE CHANGE RESILIENCE IN GEF PROJECTS:
UPDATE ON GEF SECRETARIAT EFFORTS**

BACKGROUND

1. Given the continued accumulation of greenhouse gases in the Earth's atmosphere, the planet's systems are on a trajectory to certain change, and to adjust to this change adaptation will be required. Effects of climate change through *temperature increases* and *changes in precipitation* will have significant implications for generating global environment benefits (GEBs) through projects receiving GEF Trust Fund (GEFTF) investments and the beneficiaries of these projects. In order to avoid the risk of undermining the sustainability of GEBs, it will be necessary to enhance the resilience of the natural and social systems within which these projects take place. All projects financed by the GEF under the different focal areas should incorporate elements of climate change resilience into their design.

2. As noted in the STAP's Advisory Document to the GEF Council, *Enhancing Resilience to Reduce Climate Risks: Scientific Rationale for the Sustained Delivery of Global Environmental Benefits in GEF Focal Areas* many, if not most, GEF focal area objectives and expected outputs are prone to the risks of climate change.¹ The risks can be primarily attributed to (1) direct and indirect effects on project interventions (2) difficulty to accurately predict what types of change are likely to affect the project; and (3) the demand on finite resources to address potentially expensive, and difficult to predict climate change risks.

3. In November 2010, at the Council's 39th Meeting, the GEF Evaluation Office (GEFEO) presented its findings for the *Evaluation of The GEF Strategic Priority for Adaptation*² at its 39th Meeting in November 2010. Having reviewed the evaluation findings, the GEF Council "requested the Secretariat to develop and implement screening tools. These tools will serve as a first step to ensure the mainstreaming and targeting of adaptation and resilience, to reduce the risks from climate change in GEF focal areas and its activities. The Council further requested the Secretariat to report to its November 2012 meeting on steps taken and progress made, including indicators for RBM and M&E."

UPDATE

4. The GEF Secretariat is working toward a more systematic consideration of climate risks in GEF projects and suitable measures to integrate resilience. This effort builds on the recent introduction by STAP of a screening tool for all GEF projects. The GEF Secretariat effort focuses on identifying a set of strategic options for integrating climate resilience considerations into the design of GEF projects at different stages of project development.

5. Currently, GEF Agencies are required to provide information, at PIF stage and CEO endorsement stage, about how the project "takes into account" "potential major risks, including

¹ See Council Document GEF/C.39/Inf.18, *Enhancing Resilience to Reduce Climate Risks: Scientific Rationale for the Sustained Delivery of Global Environmental Benefits in GEF Focal Areas: A STAP Advisory Document*, November 10, 2010.

² See Council Document GEF/ME/C.39/4, *Evaluation of the GEF Strategic Priority for Adaptation*.

the consequences of climate change” and what risk mitigation measures are proposed. The proposed GEF Secretariat approach will provide a more structured and constructive framework for enhancing climate resilience in GEF projects based on focal area priorities and objectives. The framework will be relevant at both PIF and CEO Endorsement stages, based on the following expectations:

(a) At the PIF/PFD stage:

- i. Characterization of potential climate change risks and potential impacts relevant to the project;
- ii. Characterization of potential consequences of climate change on Global Environmental Benefits targeted by the project and project beneficiaries.
- iii. Consideration of range of suitable adaptation measures and description of how the final project design will incorporate them.

(b) At the CEO Endorsement Stage:

- i. Analysis of projected climate change impacts on the project;
- ii. Evidence of how the project design incorporates measures, practices, or technologies to respond to climate risks and to ensure climate resilience.

6. Under this approach, the PIF and CEO endorsement templates, as well as the GEF Secretariat review questions would need to be modified. Before embarking on this approach, the Council, Secretariat, and Agencies will need to take into account any changes agreed in the GEF Project Cycle pursuant to the proposals being presented in Council Document GEF/C.43/06, *Streamlining of Project Cycle*.

NEXT STEPS

7. The GEF Secretariat will finalize the draft framework document that outlines climate resilience considerations across all focal areas. The framework is expected to include key climate change risks and impacts for each of the focal areas, proposed response measures to enhance resilience, and options for integrating resilience at the PIF and CEO endorsement stages. The document will be developed with involvement of all focal area teams to ensure consensus and clarity of the proposed framework. In order to maintain consistency in project review process between the GEF Trust Fund and the LDCF and SCCF, and also to identify potential opportunities of funding for adaptation measures, the Secretariat will also consider whether this framework should apply to LDCF and SCCF projects in addition to GEF Trust Fund Projects.

8. The next step will involve a consultation process that includes the GEF Agencies and STAP. After agreement with the GEF Agencies and STAP, the framework would be approved by the GEF CEO for consideration as part of the GEF Policies and Procedures on the GEF project cycle.

9. At the same time, the GEF Sixth Replenishment will provide the GEF an opportunity to discuss how the GEF Focal Area Strategies can be further improved in terms of their contribution to climate change resilience. If RBM indicators are to be revised to better incorporate resiliency, this should be done in this context since the GEF RBM framework will be updated as a result of the Focal Area Strategy discussion.